

India

**HOLD** (no change)

Consensus ratings*: Buy 26 Hold 10 Sell 10	
Current price:	Rs4,001
Target price: ▲	Rs4,039
Previous target:	Rs3,628
Up/downside:	0.9%
InCred Research / Consensus:	-1.1%
Reuters:	TCS.NS
Bloomberg:	TCS IN
Market cap:	US\$173,543m Rs14,477,420m
Average daily turnover:	US\$117.0m Rs9760.4m
Current shares o/s:	3,646.7m
Free float:	28.0%
*Source: Bloomberg	

**Key changes in this note**

- Expect a 6.7% revenue CAGR over FY24-26F.
- Expect a 11.3% EBIT CAGR over FY24-26F.
- Expect a 11.9% PAT CAGR over FY24-26F.



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	(4.6)	3.5	24.0
Relative (%)	(6.6)	2.3	0.9

<b>Major shareholders</b>	% held
FPI	12.5
LIC	4.8
Mutual Funds	3.5

**Research Analyst(s)**



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# Tata Consultancy Services

## Internals could have been better

- India contributed 60% to incremental growth while revenue from key markets (the US, Europe) declined qoq. A large deal ramp-up likely aided UK growth.
- Incremental equipment cost was ~57% of the incremental revenue.
- Mix change likely drove sub-contractor cost rationalization (lowest since 1QFY15), which helped a material beat on margin front. Sustainability is key.

**4QFY24 results summary**

The 4QFY24 revenue of Tata Consultancy Services or TCS, up 1.1% qoq and 2.2% yoy in constant currency or CC terms, missed estimate led by weakness in North America and Continental Europe offset by the Bharat Sanchar Nigam (BSNL) deal ramp-up and a sequential growth in consumer business and insurance. The material EBIT margin beat of 80/53bp relative to consensus/InCred estimates, respectively, was encouraging but driven by a sharp reduction in sub-contractor expenses. Management commentary was encouraging, but for the medium term while tepid in the near term, given limited visibility on project cancellations and that transformational spends are funded by savings in existing traditional spends. This [‘Doing more for less’](#) limits material revenue/earning upgrades while P/E valuation at ~28x FY25F EPS vs. Jan 2018-till date average of 25.8x, caps further rerating.

**Bookings robust but short cycle projects key to revenue acceleration**

The 4Q order book at US\$13.2bn was up 32% yoy and 63% qoq (includes one mega deal), and takes the TTM book to US\$42.7bn, up 25.2% yoy. The FSI vertical wins at US\$4.1bn were up 57.7%/32.3% qoq/yoy, consumer business up 6.7%/23.1% qoq/yoy while North America TCV at US\$5.7bn was up 35.7%/14% qoq/yoy. Despite encouraging wins, near-term growth commentary was tepid. We trim our FY25F yoy US\$ growth by 50bp to 6.5%.

**Sharp cut in expenses drives solid execution**

The EBIT margin (26%; up 98bp qoq and 151bp yoy) beat was led by lower sub-contractor expenses (down 25.1% qoq), productivity and utilization together contributing +190bp but offset by a 90bp headwind from higher third-party & travel expenses. Productivity, utilization & employee pyramid correction could aid FY25F margins while bottoming out of sub-contractor expenses could be a key drag. The better exit rate drives a 60bp change in average FY25F-26F EBIT margin and, in turn, an average 0.7% increase in EPS estimates.

**Retain HOLD rating but with a higher target price of Rs4,039**

We retain our HOLD rating on TCS but tinkering of estimates and a modest increase in the target PE/G to 2.1x (vs. 2x earlier; translating to a P/E of 25.4 vs. 23.7x earlier) to account for operating cash flow certainty, increases our target price. We trim FY24-26F US\$ revenue CAGR to 6.7% (vs. 7.2%) while better margin assumption increases PAT (Rs) CAGR to 11.9% (vs. 11.6%). Better order book conversion & faster BSNL deal ramp-up are upside risks while higher project cancellations is a downside risk.

**Financial Summary**

	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Revenue (Rsm)	1,917,540	2,254,580	2,408,930	2,600,391	2,847,811
Operating EBITDA (Rsm)	530,570	592,590	642,960	707,527	791,691
Net Profit (Rsm)	383,270	421,470	468,660	512,962	574,654
Core EPS (Rs)	103.6	115.2	128.5	141.8	158.8
Core EPS Growth	19.5%	11.2%	11.6%	10.3%	12.0%
FD Core P/E (x)	38.61	34.73	31.14	28.22	25.19
DPS (Rs)	43.0	115.0	73.0	113.4	127.1
Dividend Yield	1.07%	2.87%	1.82%	2.83%	3.18%
EV/EBITDA (x)	27.11	24.01	22.11	19.78	17.54
P/FCFE (x)	41.11	37.37	34.36	30.10	27.36
Net Gearing	(46.9%)	(45.7%)	(41.9%)	(48.4%)	(53.2%)
P/BV (x)	16.60	16.19	16.13	14.37	12.90
ROE	43.7%	46.9%	51.8%	53.6%	54.0%
% Change In Core EPS Estimates				0.67%	0.69%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

Y/E Mar (Rs m)	4QFY24	4QFY23	YoY (%)	3QFY24	QoQ (%)	4QFY24F	Var. (%)
Revenue (US\$ m)	7,363	7,195	2.3	7,281	1.1	7,405	(0.6)
Revenue (Rs m)	6,12,370	5,91,620	3.5	6,05,830	1.1	6,14,877	(0.4)
USD-Rs realization	83.2	82.2	1.1	83.21	(0.0)	83.0	0.2
EBITDA	1,71,640	1,57,740	8.8	1,63,880	4.7	1,69,091	1.5
EBITDA Margin (%)	28.0	26.7	137 bp	27.1	98 bp	27.5	53 bp
EBIT	1,59,180	1,44,880	9.9	1,51,550	5.0	1,56,548	1.7
EBIT Margin (%)	26.0	24.5	151 bp	25.0	98 bp	25.5	53 bp
Depreciation	12,460	12,860	(3.1)	12,330	1.1	12,543	(0.7)
Net other income	9,310	9,030	3.1	6,320	47.3	6,431	44.8
PBT	1,68,490	1,53,910	9.5	1,57,870	6.7	1,62,979	3.4
Provision for tax	43,470	39,550	9.9	37,320	16.5	41,560	4.6
% tax rate	25.8	25.7	10 bp	23.6	216 bp	25.5	30 bp
Net Profit	1,24,340	1,13,920	9.1	1,10,580	12.4	1,21,029	2.7
EPS (Rs)	34.4	31.1	9.1	30.3	13.5	33.5	2.7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key conference-call takeaways

- **Guidance:** FY25F revenue growth to be better than in FY24.
- **Demand commentary:** Customers reprioritizing spending where the RoI is high and immediate. Demand driven by operating model transformation, vendor consolidation, cloud transformation, artificial intelligence or AI enablement, business process optimization, sustainability, and early-stage AI-infused transformational engagement. However, pressure in discretionary spending and volatility witnessed in some customers due to delay or ramp-down of the ongoing transformation remains a key revenue headwind. TCS won a mega deal in 4QFY24 and is witnessing better deal momentum across markets.
- **Vertical-wise commentary**
  - **Financial services and insurance (FSI):** The insurance sub-segment did better across markets. Witnessing increasing opportunities in capital markets for controls, safety measures and risk management. Payments and wealth management within retail banking witnessing increasing adoption of new technologies. Good deal pipeline in the market infrastructure segment. CY24F spending could be led by evolving regulations, GenAI, security, embedded finance, and green transition. Clients continue to conserve cash and focus on business critical projects with immediate RoI.
  - **Consumer:** Economic slowdown, recession, higher interest rates and the geopolitical situation continue to pressure the vertical's growth. However, TCS witnessed some green shoots and a moderate recovery in 4QFY24. Medium-term spending could be driven by CX, loyalty, hyper personalization, scaling retail media network revenue, security, cloud transformation, cloud ERP modernization and GenAI.
- TCS to selectively participate in India as many enterprises are implementing new programs.
- AI & Gen AI pipeline doubled in 4QFY24 to US\$900m. YTD engagements are more than 200, but with smaller project sizes. Engagements going into production are steadily increasing.
- Implemented a wage hike, effective 1 Apr 2024, for all employees with the quantum like last year and a double-digit hike for top performers.
- TCS commenced hiring of freshers and continues to recalibrate lateral hiring with a focus on utilization.

Figure 2: Operating metric trends

Operating trends	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
Revenue (US\$m)	6,696	6,780	6,877	7,075	7,195	7,226	7,210	7,281	7,363
Growth YoY (%)	11.8	10.2	8.6	8.4	7.5	6.6	4.8	2.9	2.3
Growth QoQ (%)	2.6	1.3	1.4	2.9	1.7	0.4	-0.2	1.0	1.1
CC Growth YoY (%)	14.3	15.5	15.4	13.5	10.7	7.0	2.8	1.7	2.2
CC Growth QoQ (%)	3.2	3.5	3.9	2.3	0.7	0.0	-0.2	1.2	1.1
Revenue (Rsm)	5,05,910	5,27,580	5,53,090	5,82,290	5,91,620	5,93,810	5,96,920	6,05,830	6,12,370
Growth YoY (%)	15.8	16.2	18.0	19.1	16.9	12.6	7.9	4.0	3.5
Growth QoQ (%)	3.5	4.3	4.8	5.3	1.6	0.4	0.5	1.5	1.1
EBIT Margin (%)	25.0	23.1	24.0	24.5	24.5	23.2	24.3	25.0	26.0
US\$-Rs realized rate	75.6	77.8	80.4	82.3	82.2	82.2	82.8	83.2	83.2
Headcount	5,92,195	6,06,331	6,16,171	6,13,974	6,14,795	6,15,318	6,08,985	6,03,305	6,01,546
LTM attrition (%)	17.4	19.7	21.5	21.3	20.1	17.8	14.9	13.3	12.5
Vertical (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
BFSI	31.9	32.1	33.6	33.1	32.9	32.5	32.6	31.7	31.3
Communication & Media	6.7	6.8	7.3	7.2	7.1	7.0	6.9	6.7	6.6
Manufacturing	10.0	9.9	8.2	8.2	8.1	8.3	8.5	8.6	8.8
Consumer Business	15.4	15.9	16.1	16.0	16.0	16.1	15.9	15.7	15.7
Life Science & Health Care	10.0	10.1	10.7	10.8	10.9	11.0	10.9	10.9	10.9
Technology & Services	8.7	8.8	9.1	9.0	8.9	8.7	8.6	8.4	8.2
Energy & Utilities	NA	NA	5.0	5.2	5.4	5.5	5.6	5.7	5.6
Regional Market & Others	17.3	16.4	10.0	10.5	10.7	10.9	11.0	12.3	12.9
Vertical (US\$m)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
BFSI	2,136	2,176	2,311	2,342	2,367	2,348	2,350	2,308	2,305
Communication & Media	449	461	502	509	511	506	497	488	486
Manufacturing	670	671	564	580	583	600	613	626	648
Consumer Business	1,031	1,078	1,107	1,132	1,151	1,163	1,146	1,143	1,156
Life Science & Health Care	670	685	736	764	784	795	786	794	803
Technology & Services	583	597	626	637	640	629	620	612	604
Energy & Utilities	NA	NA	344	368	389	397	404	415	412
Regional Market & Others	1,158	1,112	688	743	770	788	793	896	950
Vertical yoy (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
BFSI	10.8	8.8	13.0	11.8	10.8	7.9	1.7	-1.4	-2.6
Communication & Media	15.2	17.1	20.1	20.1	13.9	9.7	-0.9	-4.2	-4.9
Manufacturing	16.5	11.3	-10.1	-10.2	-13.0	-10.6	8.7	7.9	11.2
Consumer Business	18.7	18.4	16.6	14.9	11.6	7.9	3.5	1.0	0.4
Life Science & Health Care	15.3	9.1	16.2	18.3	17.1	16.1	6.8	3.9	2.3
Technology & Services	15.8	12.7	12.3	12.2	9.9	5.4	-0.9	-3.9	-5.7
Energy & Utilities	NA	NA	NA	NA	NA	NA	17.4	12.8	6.1
Regional Market & Others	1.3	2.1	-37.6	-36.0	-33.5	-29.2	15.3	20.6	23.4
Vertical qoq (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
BFSI	2.0	1.9	6.2	1.3	1.1	-0.8	0.1	-1.8	-0.1
Communication & Media	5.8	2.8	8.9	1.5	0.3	-1.0	-1.6	-1.9	-0.4
Manufacturing	3.7	0.2	-16.0	2.9	0.5	2.9	2.2	2.2	3.5
Consumer Business	4.7	4.5	2.7	2.2	1.7	1.1	-1.5	-0.3	1.1
Life Science & Health Care	3.7	2.3	7.5	3.8	2.6	1.4	-1.1	1.0	1.1
Technology & Services	2.6	2.4	4.9	1.7	0.6	-1.8	-1.4	-1.4	-1.3
Energy & Utilities	NA	NA	NA	7.0	5.6	2.3	1.6	2.8	-0.6
Regional Market & Others	-0.2	-4.0	-38.2	8.0	3.6	2.3	0.7	12.9	6.1
Incremental revenue (US\$m)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
BFSI	41.8	40.4	134.3	31.2	25.3	-18.7	2.0	-42.4	-3.5
Communication & Media	24.6	12.4	41.0	7.4	1.4	-5.0	-8.3	-9.7	-1.9
Manufacturing	23.7	1.6	-107.3	16.2	2.6	17.0	13.1	13.3	21.8
Consumer Business	46.1	46.8	29.2	24.8	19.2	12.2	-17.0	-3.3	12.9
Life Science & Health Care	23.7	15.2	51.1	28.3	20.2	10.6	-9.0	7.7	8.9
Technology & Services	15.0	14.1	29.2	10.9	3.6	-11.7	-8.6	-8.5	-7.8
Energy & Utilities	NA	NA	NA	24.1	20.6	8.9	6.3	11.3	-2.7
Regional Market & Others	-2.9	-46.5	-424.2	55.2	27.0	17.8	5.5	102.5	54.3
Geography (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
North America	51.6	53.2	54.3	53.7	52.4	52.0	51.7	50.6	50.0
Latin America	1.7	1.8	1.7	1.8	1.8	2.0	2.0	2.1	2.0
Continental Europe	15.5	15.2	14.5	14.8	15.1	14.9	14.9	15.0	14.6
UK	15.6	14.9	14.5	14.9	15.7	16.4	16.5	16.4	16.8
APAC	8.5	8.3	8.0	7.9	8.0	7.8	7.8	7.8	7.8
India	5.1	4.8	5.1	5.1	5.0	4.9	4.9	6.1	6.7
Rest of the world	2.0	1.8	1.9	1.8	2.0	2.0	2.2	2.0	2.1
Geography (US\$m)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
North America	3,455	3,607	3,734	3,799	3,770	3,758	3,728	3,684	3,682
Latin America	114	122	117	127	130	145	144	153	147
Continental Europe	1,038	1,031	997	1,047	1,086	1,077	1,074	1,092	1,075
UK	1,045	1,010	997	1,054	1,130	1,185	1,190	1,194	1,237
APAC	569	563	550	559	576	564	562	568	574
India	341	325	351	361	360	354	353	444	493
Rest of the world	134	122	131	127	144	145	159	146	155
Geography yoy (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
North America	18.7	18.6	17.2	14.9	9.1	4.2	-0.2	-3.0	-2.4
Latin America	18.8	23.9	15.4	14.8	13.8	18.4	23.3	20.1	13.7
Continental Europe	3.2	0.3	-1.0	0.3	4.7	4.5	7.7	4.3	-1.1
UK	9.0	0.7	-2.2	3.6	8.1	17.3	19.3	13.3	9.5
APAC	1.1	-1.7	-3.5	-0.4	1.1	0.2	2.2	1.6	-0.2
India	1.8	15.0	8.6	0.6	5.3	8.8	0.7	23.1	37.1
Rest of the world	11.8	-5.6	3.2	2.7	7.5	18.4	21.4	14.3	7.5
Geography qoq (%)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
North America	4.5	4.4	3.5	1.7	-0.8	-0.3	-0.8	-1.2	-0.1

Latin America	2.6	7.2	-4.2	8.9	1.7	11.6	-0.2	6.0	-3.7
Continental Europe	-0.6	-0.7	-3.2	5.0	3.8	-0.9	-0.2	1.7	-1.6
UK	2.6	-3.3	-1.3	5.7	7.2	4.9	0.4	0.4	3.6
APAC	1.4	-1.1	-2.2	1.6	3.0	-2.1	-0.2	1.0	1.1
India	-4.8	-4.7	7.8	2.9	-0.3	-1.6	-0.2	25.7	11.1
Rest of the world	8.0	-8.9	7.1	-2.5	13.0	0.4	9.8	-8.2	6.2
<b>Incremental revenue (US\$m)</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>
North America	147.5	151.8	127.3	65.1	-29.1	-12.7	-29.9	-43.4	-2.7
Latin America	2.9	8.2	-5.1	10.4	2.2	15.0	-0.3	8.7	-5.6
Continental Europe	-6.0	-7.3	-33.4	49.9	39.3	-9.8	-2.4	17.9	-17.2
UK	26.8	-34.4	-13.1	57.0	75.4	55.4	4.6	4.4	42.9
APAC	8.1	-6.4	-12.6	8.8	16.7	-12.0	-1.2	5.5	6.4
India	-17.3	-16.1	25.3	10.1	-1.1	-5.7	-0.8	90.9	49.2
Rest of the world	10.0	-11.9	8.6	-3.3	16.6	0.6	14.1	-13.0	9.0
<b>Deal wins (US\$m)</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>
TCV	11300	8200	8,100	7,800	10,000	10,200	11,200	8,100	13,200
qoq	48.7	-27.4	-1.2	-3.7	28.2	2.0	9.8	-27.7	63.0
yoy	22.8	1.2	6.6	2.6	-11.5	24.4	38.3	3.8	32.0
LTM TCV	34,600	34,700	35,200	35,400	34,100	36,100	39,200	39,500	42,700
yoy	9.8	6.1	11.0	8.9	-1.4	4.0	11.4	11.6	25.2
<b>Client mining</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>
US\$1m	1,182	1,196	1,210	1,217	1,241	1,268	1,272	1,288	1,294
US\$5m	638	650	650	658	665	677	688	693	693
US\$10m	439	446	455	456	461	468	483	480	487
US\$20m	268	272	283	290	291	296	292	299	301
US\$50m	120	124	124	130	133	137	137	137	139
US\$100m	58	59	59	59	60	60	61	61	62
<b>Per employee analysis</b>	<b>4QFY22</b>	<b>1QFY23</b>	<b>2QFY23</b>	<b>3QFY23</b>	<b>4QFY23</b>	<b>1QFY24</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>
Revenue (US\$m) - TTM	25,707	26,333	26,877	27,428	27,927	28,373	28,706	28,912	29,080
Employees (average TTM)	5,46,747	5,71,065	5,92,921	6,07,168	6,12,818	6,15,065	6,13,268	6,10,601	6,07,289
Revenue per employee (TTM)	47,018	46,112	45,330	45,174	45,571	46,130	46,808	47,350	47,885

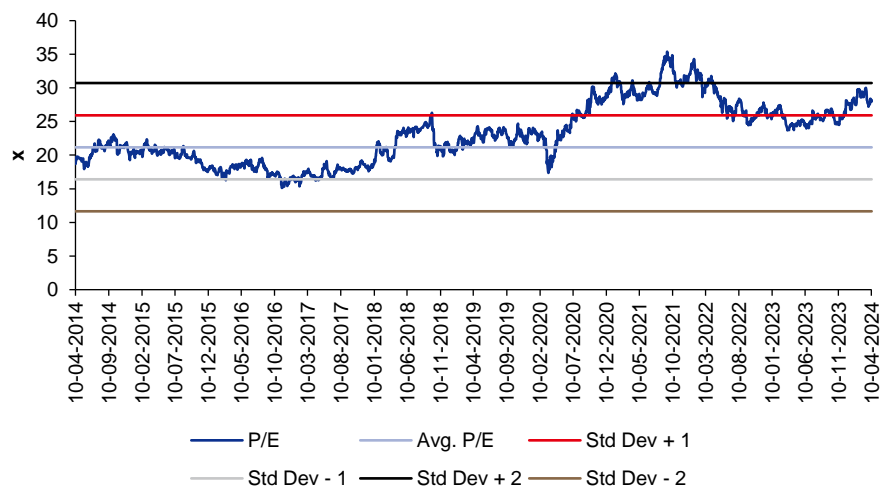
SOURCE: COMPANY REPORTS, INCRED RESEARCH

Figure 3: Change in InCred estimates

Y/E Mar (Rs m)	FY25F			FY26F		
	New	Old	% change	New	Old	% change
<b>US\$ revenue</b>	30,957	31,262	-1.0	33,114	33,597	-1.4
<b>Revenue</b>	26,00,391	26,26,017	-1.0	28,47,811	28,89,319	-1.4
<b>EBIT</b>	6,55,064	6,47,313	1.2	7,34,735	7,23,774	1.5
<b>EBIT Margin (%)</b>	25.2	24.7	54 bp	25.8	25.1	75 bp
<b>Net PAT</b>	5,12,962	5,08,422	0.9	5,74,654	5,69,474	0.9
<b>EPS (Rs)</b>	141.8	140.8	0.7	158.8	157.8	0.7

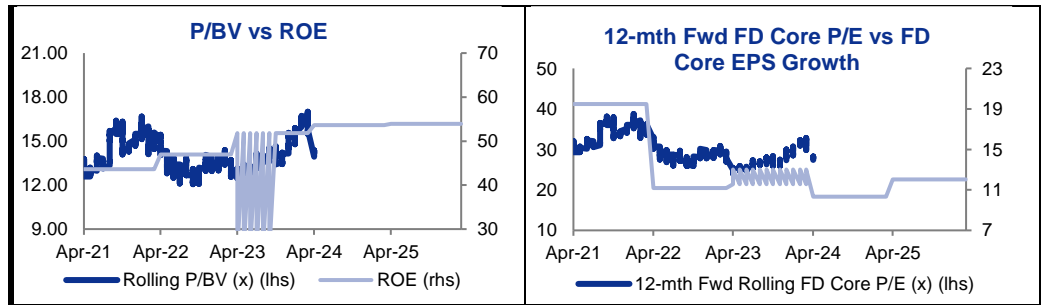
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: TCS trades at a one-year forward P/E of ~28x



SOURCE: INCRED RESEARCH, BLOOMBERG

**BY THE NUMBERS**



**Profit & Loss**

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>1,917,540</b>	<b>2,254,580</b>	<b>2,408,930</b>	<b>2,600,391</b>	<b>2,847,811</b>
<b>Gross Profit</b>	<b>817,370</b>	<b>942,120</b>	<b>1,022,830</b>	<b>1,110,588</b>	<b>1,224,559</b>
<b>Operating EBITDA</b>	<b>530,570</b>	<b>592,590</b>	<b>642,960</b>	<b>707,527</b>	<b>791,691</b>
Depreciation And Amortisation	(46,040)	(50,220)	(49,850)	(52,463)	(56,956)
<b>Operating EBIT</b>	<b>484,530</b>	<b>542,370</b>	<b>593,110</b>	<b>655,064</b>	<b>734,735</b>
Financial Income/(Expense)	32,340	26,700	36,440	37,127	40,263
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>516,870</b>	<b>569,070</b>	<b>629,550</b>	<b>692,191</b>	<b>774,999</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>516,870</b>	<b>569,070</b>	<b>629,550</b>	<b>692,191</b>	<b>774,999</b>
Taxation	(132,380)	(146,040)	(158,980)	(176,509)	(197,625)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>384,490</b>	<b>423,030</b>	<b>470,570</b>	<b>515,682</b>	<b>577,374</b>
Minority Interests	(1,220)	(1,560)	(1,910)	(2,720)	(2,720)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>383,270</b>	<b>421,470</b>	<b>468,660</b>	<b>512,962</b>	<b>574,654</b>
Recurring Net Profit	383,270	421,470	468,660	512,962	574,654
<b>Fully Diluted Recurring Net Profit</b>	<b>383,270</b>	<b>421,470</b>	<b>468,660</b>	<b>512,962</b>	<b>574,654</b>

**Cash Flow**

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>530,570</b>	<b>592,590</b>	<b>642,960</b>	<b>707,527</b>	<b>791,691</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(27,690)	(42,170)	(68,820)	(23,473)	(40,250)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(1,220)	(1,560)	(1,910)	(2,720)	(2,720)
Other Operating Cashflow					
Net Interest (Paid)/Received					
Tax Paid	(114,860)	(129,660)	(124,890)	(176,509)	(197,625)
<b>Cashflow From Operations</b>	<b>386,800</b>	<b>419,200</b>	<b>447,340</b>	<b>504,825</b>	<b>551,096</b>
Capex	(24,830)	(25,320)	(22,020)	(22,020)	(22,020)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	15,860	25,710	82,280	46,167	49,303
<b>Cash Flow From Investing</b>	<b>(8,970)</b>	<b>390</b>	<b>60,260</b>	<b>24,147</b>	<b>27,283</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased	(180,490)	(41,920)	(210,050)		
Dividends Paid	(133,170)	(413,470)	(251,370)	(410,370)	(459,723)
Preferred Dividends					
Other Financing Cashflow	(21,970)	(23,390)	(23,940)	(9,040)	(9,040)
<b>Cash Flow From Financing</b>	<b>(335,630)</b>	<b>(478,780)</b>	<b>(485,360)</b>	<b>(419,410)</b>	<b>(468,763)</b>
Total Cash Generated	42,200	(59,190)	22,240	109,562	109,617
<b>Free Cashflow To Equity</b>	<b>361,970</b>	<b>393,880</b>	<b>425,320</b>	<b>482,805</b>	<b>529,076</b>
<b>Free Cashflow To Firm</b>	<b>377,830</b>	<b>419,590</b>	<b>507,600</b>	<b>528,972</b>	<b>578,380</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

**Balance Sheet**

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Total Cash And Equivalents	484,830	479,290	447,670	557,232	666,849
Total Debtors	418,100	499,540	535,770	568,905	623,034
Inventories	200	280	280	280	280
Total Other Current Assets	179,970	123,590	146,120	146,120	146,120
<b>Total Current Assets</b>	<b>1,083,100</b>	<b>1,102,700</b>	<b>1,129,840</b>	<b>1,272,537</b>	<b>1,436,283</b>
Fixed Assets	196,150	190,240	188,260	157,817	122,881
Total Investments	29,870	29,360	36,980	36,980	36,980
Intangible Assets	28,880	27,250	23,420	23,420	23,420
Total Other Non-Current Assets	77,140	86,960	85,990	85,990	85,990
<b>Total Non-current Assets</b>	<b>332,040</b>	<b>333,810</b>	<b>334,650</b>	<b>304,207</b>	<b>269,271</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	80,450	105,150	99,810	106,865	117,033
Other Current Liabilities	343,060	330,430	361,230	363,836	367,547
<b>Total Current Liabilities</b>	<b>423,510</b>	<b>435,580</b>	<b>461,040</b>	<b>470,701</b>	<b>484,581</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	93,170	88,870	90,260	90,260	90,260
<b>Total Non-current Liabilities</b>	<b>93,170</b>	<b>88,870</b>	<b>90,260</b>	<b>90,260</b>	<b>90,260</b>
Total Provisions					
<b>Total Liabilities</b>	<b>516,680</b>	<b>524,450</b>	<b>551,300</b>	<b>560,961</b>	<b>574,841</b>
Shareholders Equity	891,390	904,240	904,890	1,007,483	1,122,413
Minority Interests	7,070	7,820	8,300	8,300	8,300
<b>Total Equity</b>	<b>898,460</b>	<b>912,060</b>	<b>913,190</b>	<b>1,015,783</b>	<b>1,130,713</b>

**Key Ratios**

	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Revenue Growth	16.8%	17.6%	6.8%	7.9%	9.5%
Operating EBITDA Growth	17.1%	11.7%	8.5%	10.0%	11.9%
Operating EBITDA Margin	27.7%	26.3%	26.7%	27.2%	27.8%
Net Cash Per Share (Rs)	113.87	114.06	104.89	136.02	166.32
BVPS (Rs)	241.02	247.17	248.14	278.49	310.26
Gross Interest Cover	61.80	69.62	76.24	72.46	81.28
Effective Tax Rate	25.6%	25.7%	25.3%	25.5%	25.5%
Net Dividend Payout Ratio	41.5%	99.8%	56.7%	80.0%	80.0%
Accounts Receivables Days	74.68	74.28	78.43	77.53	76.38
Inventory Days	0.05	0.07	0.07	0.07	0.06
Accounts Payables Days	26.38	25.81	26.99	25.32	25.17
ROIC (%)	64.4%	84.5%	90.1%	94.1%	106.9%
ROCE (%)	38.0%	41.6%	45.4%	47.4%	48.1%
Return On Average Assets	26.5%	28.3%	30.6%	32.1%	33.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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